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Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

## PAID-UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 17th day of January, 2011, by and between Edith Corley whose address is 8408 Clovergien Lane, Fort Woth, TX 76123 as Lessor, and CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, whose address is P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land,

hereinafter called leased premises:

SURVEY: J. C. Dishman

BEING LOT 14, BLOCK 12 OF SOUTHGATE PHASE I, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE PLAT THEROF RECORDED IN VOLUME 388-195, PAGE I, PLAT RECORDS, TARRANT COUNTY, TEXAS

in the County of TARRANT. State of TX, containing 0.16611500 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less. whether actually more or less.

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or most covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the
- 1. Into tease, wanton is a "paint-up" tease requiring or rentias, some to in root for a primary term of the face sectors, and to as forge unrentered to the provisions hereof.

  3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lesser at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, the royalty shall be 25% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, moved that Lessee shall have the continuing right to purchase such production at the wellhead marker the theory to the prevailing in the same field (or if there is no souch price then prevailing in the same field (or if there is no souch price then prevailing in the same field (or if there is no souch price then prevailing in the same field (or if there is no souch price then prevailing the production at the prevailing wellhead marker price paid for production of similar quality in the same field (or if there is no souch price then prevailing wellhead marker price paid for production of similar quality in the same field (or if there is no souch price then prevailing in the same field in which there is such a prevailing price) pursuant to comparable purchases contracts entered into on the same or nearest preceding date as the date on which Lessee contacts and the costs incured by Lessee, such less the same field (or if there is no souch price then prevailing in the same field in which there is souch a prevailing price) pursuant to comparable purchases contracts entered into on the same or nearest preceding date as the date on which Lessee contracts and the costs incured there is such a prevailing price) pursuant to be made to the production therefrom is not being sold by Lessee, the life fisture stimulation, but such well or wells are there such as a first of the purchase of the production therefrom is not being sold by Lessee, the lessee of the purchase of the production therefrom

- expressly provided herein.
- 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well or a horizontal completion shall not exceed 60 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or a horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet or more per barrel, bosed on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment, and the term "horizontal completion" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on which Lesseo." s royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such prop
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective hears, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership to the satisfaction of Lessee until 60 days after Lessee has been furnished the original or extified or duly ententicated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee may pay or tender such shut-in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferre to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

  9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest

## Page 2 of 2

undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shurt-in royalties shall be proportionately reduced in accordance with the net acreage interest

- undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender similar in royalties shall be proportionately reduced in accordance with the net screage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the lessed premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not lumited to geophysical operations, the drilling of wells, and the constructions and use of roads, canals, pipelines, tanks, water wells, disposal wells, nipection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, face of cost, any oil, gas, water and/or other share and the construction and an accessary water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, then requested by Lesser in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated leads. No well shall be tooseted less than 200 feet from any house or barn now on the leased premises or such other lands used by Lessee in writing. Lessee shall bary its pipelines below ordinary plow depth on cultivated leads. No well shall be tooseted less than 200 feet from any house or barn now on the leased premises or such other leads during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including retained and production or felling and production or velocitions, or the subject to all applicable laws, rules, re

- remedy the breach or default and Lessee fails to do so.

  14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the lessed premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run

are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been firmished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of reutal, boms and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or under influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

ACKNOWLEDGMENT

STATE OF

BEFORE ME, the undersigned authority, on the 17 day of 2011 personally appeared Edith Corley, known to me to be the person(s) whose name(s) is (are) subscribed to the forgoing instrument, and acknowledged to me that he/she/they executed the same for the purposes and consideration their expressed, in the capacity therein stated, and as the act and deed of said Edith Corley.

[SEAL]

CHRISTOPHER CHARLES FIELDS NOTARY PUBLIC STATE OF TEXAS MY COMM. EXP. 8/01/14

Notary Public, State of 5/12 Olyns Notary's name (printed):\_

Notary's commission expires: